

SECRETARY OF STATE

Budget Summary							
Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	2015-17 Legislature	2015-17 Act 55	Act 55 Change Over <u>Base Year Doubled</u>	
						Amount	Percent
PR	\$1,027,000	\$536,800	\$536,800	\$536,800	\$536,800	- \$490,200	- 47.7%

FTE Position Summary						
Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	2016-17 Legislature	2016-17 Act 55	Act 55 Change Over 2014-15 Base
PR	4.00	2.00	2.00	2.00	2.00	- 2.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	\$51,700
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Governor/Legislature: Provide adjustments of \$25,000 in 2015-16 and \$26,700 in 2016-17 to the Secretary of State's (SOS) program fees appropriation for full funding of continuing position salaries and fringe benefits (\$25,700 annually) and full funding of lease and directed moves costs (-\$700 in 2015-16 and \$1,000 in 2016-17).

2. DELETE POSITIONS [LFB Paper 580]

	Funding	Positions
PR	- \$286,200	- 2.00

Governor/Legislature: Reduce funding by \$143,100 and delete 2.0 positions, annually. Make statutory changes eliminating the SOS's ability to name, and set the salary of, the Assistant Secretary of State. According to the administration, the two positions that would be deleted are the Assistant Secretary of State and an Office Operations Associate.

Under current law, the SOS may appoint an assistant, who may perform and execute any of the Secretary's duties, except as a member of the Board of Commissioners of Public Lands. The Assistant must take and subscribe the Oath of Office, as prescribed under the state constitution, and must give bond to the SOS in the sum and with the conditions prescribed by the

Secretary, conditioned for the faithful discharge of the duties. The Oath must be filed and preserved in the Office of the Governor. Under the bill, these provisions would be repealed.

[Act 55 Sections: 96, 923, 928, and 3670]

3. REDUCE FUNDING FOR SUPPLIES AND SERVICES [LFB Paper 580]

PR	- \$157,800
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Governor: Reduce funding for supplies and services by \$78,900, annually, to reflect cost savings associated with the proposed relocation of the Office of the Secretary of State to share space with the State Treasurer in the State Capitol building. According to the administration, the reduction in supplies and services is equal to the current expenditures for private rental space.

Joint Finance/Legislature: Approve the Governor's proposal. However, specify that: (a) the SOS may not be located in a room shared with another member of the Board of Commissioners of Public Lands; and (b) the Office of the Secretary of State must be accessible to the public.

[Act 55 Section: 96j]

4. REDUCE ANNUAL TRANSFER OF REVENUES FROM THE DEPARTMENT OF FINANCIAL INSTITUTIONS [LFB Paper 580]

PR-REV	- \$350,000
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Governor/Legislature: Reduce the amount of funds transferred from the Department of Financial Institutions' (DFI) general program operations appropriation to the SOS's program fees appropriation by \$175,000, annually. Reduce program revenues deposited into this appropriation by \$175,000, annually.

Under current law, an annual transfer of \$325,000 is made from DFI's general program operations appropriation to the SOS's program fees appropriation. Under the Governor's proposal, this amount would be reduced to a transfer of \$150,000, annually.

[Act 55 Section: 497m]

5. TRANSFER OF MUNICIPAL FILING FUNCTIONS TO THE DEPARTMENT OF ADMINISTRATION [LFB Papers 580 and 581]

Governor: Transfer certain record keeping functions from the SOS to the Department of Administration (DOA) related to certain municipal annexations, detachments, dissolutions, and incorporations. These provisions would first apply to a document that is filed, recorded, supplied, provided, forwarded, or issued, or to a fact that is certified on the effective date of the bill. As currently drafted, the Governor's budget would not transfer existing records from the SOS to DOA; however, the administration indicates that it was their intent to transfer the existing records to the Department.

Under current law, municipal clerks are required to file certified copies with the SOS under certain circumstances documenting changes in the name of a municipality, changes in the legal boundaries of a municipality, or changes in whether a specified population residing in a specified area of land is incorporated or unincorporated with an existing, or as a new, municipality. In certain circumstances, the clerk of the court may be required to file court orders with the Secretary if that order changes the legal boundaries of a municipality. The SOS is required, in certain circumstances, to issue certificates of incorporation and record the certificate. In addition, for certain changes to the legal boundary of a municipality, the Secretary may be required to provide other departments in state government copies of documents changing the legal status or the legal boundaries of a municipality. Under the bill, these responsibilities would be transferred to DOA.

Joint Finance/Legislature: Approve the Governor's proposal. In addition, specify that the existing records of the SOS related to the municipal boundary record-keeping functions would be transferred to, and become the property of, DOA on the effective date of the bill.

[Act 55 Sections: 1924, 1925, 1940, 1941, 1945, 1946, 1948d, 1953 thru 1959, 1960 thru 1966, 1969, 1970, 9139(1q), and 9329(2)]

6. REESTIMATE FUNDING FOR SUPPLIES AND SERVICES
[LFB Paper 580]

PR	- \$97,900
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Governor/Legislature: Reduce funding by \$48,100 in 2015-16 and \$49,800 in 2016-17. According to the administration, the reduction would more accurately reflect estimated expenditures for supplies and services that will be incurred under the bill during the 2015-17 biennium.

7. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DOA [LFB Paper 110]

Governor: Require that all information technology services for the SOS be provided by DOA.

On the effective date of the bill, specify that the assets and liabilities of the SOS related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA. The bill does not specify that any positions or incumbent employees would be transferred to DOA under the provision.

Joint Finance/Legislature: Delete provision. [See "Administration -- Transfers"]

8. LAPSE REQUIREMENT

Governor/Legislature: Specify that the 2013 Act 145 requirement that the SOS lapse \$51,200 PR to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. (See "Budget Management and Compensation Reserves.")

[Act 55 Section: 4749]

9. GPR-REV REESTIMATE [LFB Paper 583]

GPR-REV	\$188,000
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Joint Finance/Legislature: Reestimate GPR-REV from the SOS at \$106,000 in 2015-16 and \$82,000 in 2016-17 to more accurately reflect the estimated year-end lapse from the SOS under the bill. These revenues are in addition to the statutory lapse requirement described under "8" above. Under current law, any unencumbered balance at the close of a fiscal year exceeding 10% of that fiscal year's expenditures from the SOS's program fees appropriation lapses to the general fund.

10. LAPSE PR APPROPRIATION BALANCE [LFB Paper 582]

GPR-REV	\$30,000
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Joint Finance/Legislature: Lapse from the balance of the SOS's agency collections appropriation \$30,000 PR to the general fund on a one-time basis in 2015-16. This appropriation had an opening balance of nearly \$36,700 on July 1, 2014. Net expenditures from this appropriation are estimated to draw down the balance at a rate of \$500, annually. As a result of this provision, it is estimated that the closing balance at the end of the 2015-17 biennium would be approximately \$5,200, rather than \$35,200 under current law.

Under current law, the SOS's agency collections appropriation is an annual PR appropriation. All moneys received by the SOS as fees or other charges for photocopying, microfilm copying, generation of copies of documents from optical disk or electronic storage, sales of books, and other services provided in carrying out the functions of the Office are deposited in this appropriation. Monies deposited in this appropriation can be used for photocopying and microfilm copying of documents, generation of copies of documents from optical disk or electronic storage, publication of books, and other services provided in carrying out the functions of the SOS.

[Act 55 Section: 9239(1q)]

11. DIGITAL PUBLICATION OF ACTS AND CONSTITUTIONAL AMENDMENTS

Joint Finance/Legislature: Make the following changes to the bill:

a. Repeal the requirement that the SOS must publish notification of an act in the official state newspaper. Under current law, the SOS must publish in the official state newspaper, within 10 days after the date of publication of an act, a notice certifying the number of each act, the number of

the bill from which it originated, the date of publication, and the relating clause, including a notice of where the full text of each Act can be obtained. This provision would not affect the current law requirement that the Legislative Reference Bureau (LRB) must permanently maintain on the Internet in one or more electronic formats each act, and every portion of an act that is enacted by the Legislature over the Governor's partial veto, beginning on the date of publication. This provision would also not affect the current law provision that the LRB may publish such acts on other electronic media in one or more electronic file formats, as determined by the LRB.

b. Repeal the requirement that the SOS must publish in the official state newspaper, on the first Tuesday of August, September, and October immediately preceding any general election, proposed constitutional amendments that were approved for the first time by the Legislature preceding the election. Instead, require the LRB to publish proposed constitutional amendments that were approved for the first time by the Legislature on the Internet in one or more electronic formats. Require the proposed amendments to be published on the August 1 preceding any general election and to remain so published until the general election.

c. Reduce the Legislature's enactment of state laws -- legislative documents sum sufficient appropriation by \$9,000 GPR in 2015-16 and \$4,000 in 2016-17. Currently, the SOS's costs for publishing notifications of acts and proposed constitutional amendments in the official state newspaper are charged to the Legislature's sum sufficient appropriation for printing of legislative documents, not to the SOS. The reduction reflects lower estimated publication costs resulting from the provisions under "a" and "b" above. [These funding reductions are shown under "Legislature."]

[Act 55 Sections: 94m, 1104v, and 9339(1q)]